

1967

# Houston

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Midnight oil burns in  
H&S Houston Office on  
15th floor of Southwest  
Tower Building.

# HOUSTON

Houston is a city that has prospered on its faults.

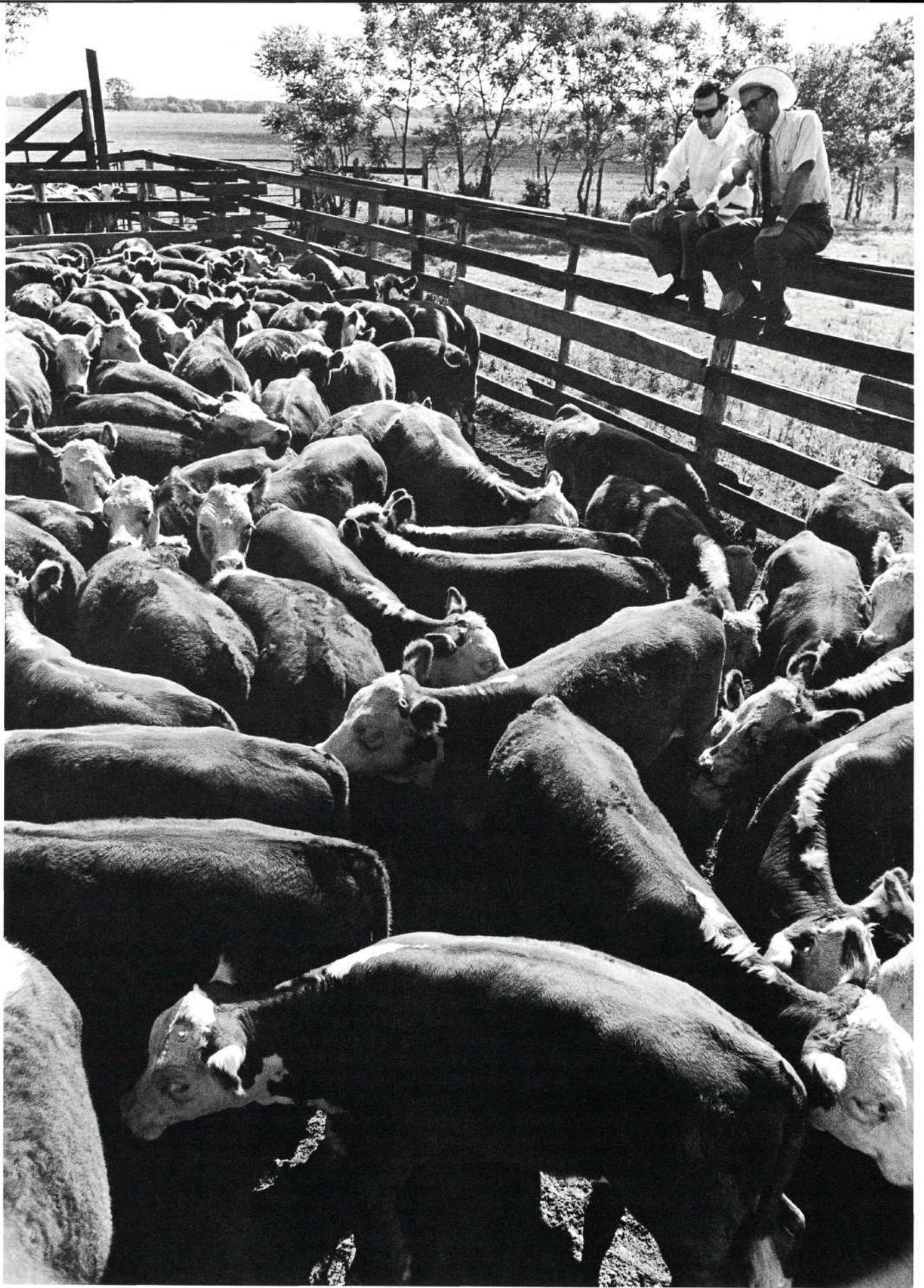
A sprawling, glistening, new metropolis where the fastest moving things are money and traffic; where Texas expansiveness meshes with Southern charm; and where prosperity is the norm today as it has been since 1915, when Houston's deep-water port was opened.

Its faults, a visitor soon learns, or the only faults that a Texan readily admits of, are geological—those subterranean interruptions in the earth's crust that eons ago entrapped the wealth of Twentieth Century progress: petroleum and natural gas.

Just 30 years ago, as the economic life of the city began to demand increasing services, J. Harry Williams came down from Dallas to open a Houston Office for Haskins & Sells, and the Firm has since increasingly contributed to the economic vitality of this burgeoning region.

The office has a staff of 76 professionals, including an eight member tax department. Additionally, it is now headquarters for a regional Management Advisory Services group, established to meet the needs of the growing economy and which serves clients of our offices in Memphis, Tulsa, Dallas-Ft. Worth, New Orleans, and Houston.









Robert Sakowitz (l.), vice president, arranges special showing after work for H&S auditors, Carol Crow, assistant accountant, and Paul Carson, principal, in carriage-trade Sakowitz store founded by his grandfather.



Pipelines feed Texas oil to Signal Oil and Gas Company docks on Houston Ship Canal, where Clyde Horner, H&S staff accountant (l.), and Jimmie Dunn, principal (r.), talk with Signal engineer. Will Rogers once said, "Houston dared to dig a ditch and bring the sea to its door."

Page 12: Off the Texas range and heading for market, these cattle were in feeding lot of Sugarland Industries, Inc. when David Decker (l.), staff accountant, observed taking of inventory.

Sitting in a corner office on the 15th floor of the Southwest Tower—one of a complex of new office buildings that have sprouted in the downtown area in recent years—is Franklin N. McClelland, who oversees the operation of the Houston Office as partner-in-charge. His view is excellent.

In every direction, he can see that H&S clients are involved in the growth of Houston—physically, culturally, intellectually. Over one shoulder Houston Lighting & Power Company is finishing a sleek new skyscraper. Beyond it to the north is the new Jesse H. Jones Hall for the Performing Arts. Next to that the Alley Theater, a local repertory company with more than local reputation, is building a theater-in-the-round. Three blocks to the southwest, Houston Natural Gas Corporation recently moved into a 28-story office building.

But Mr. McClelland's view of Houston is wider than his window pane. As he sees it, the past five years have

created an entirely new era for the city that might be symbolized by Houston's most famous sightseeing attraction and most undisputed distinction: the Astrodome.

In the planning stages since 1960, the Astrodome, owned by Harris County, a client, really began to take shape in 1962, when ground was broken in what was formerly a swamp. The Astrodome can now accommodate up to 66,000 people in air conditioned comfort, thanks to a 6,600 ton air conditioning system that cools this largest room in the world. Monsanto, another client, developed specially for the Astrodome an artificial grass called "AstroTurf," which can be laid over the playing surface in a few hours by zipping together strips of the nylon material.

The year 1962 is significant in Houston's latest boom in still another way. Ground was broken in April of that year for the Manned Spacecraft Center of the National Aeronautics & Space

Administration, in a cow pasture at Clear Lake, southeast of Houston. Today, NASA relies heavily on Houston Lighting & Power and Houston Natural Gas for its vast power requirements.

It is thus for good reason that henceforth all growth in Houston will be measured against the criteria established in the last five years.

The Astrodome alone cost \$38 million, while the NASA Manned Spacecraft Center has added millions more to the area's economy. Coupled with this are the Center's 5,000 new jobs, with an annual payroll of some \$50 million, and the multiplier effect on the economy of new jobs created through the opening of new plants or Houston divisions of Space oriented industries.

With people gravitating to Houston from all corners of the nation, educational institutions have expanded rapidly. Many of the Houston staff have received their academic training at the University of Houston and at Rice, where Edward L. Summers, a





Cataloguing his 150 varieties of orchids, Frank McClelland, partner-in-charge, finds controlled greenhouse atmosphere a relief in Houston summer.



Mission accomplished, Grant Taylor (l.) and Chuck Lyon of Houston staff leave offices of the Houston Symphony Society in Jesse H. Jones Hall, new downtown cultural palace. In background rises the new Houston Lighting & Power Building.

former member of the H&S staff, heads the accounting department. Others hail from the University of Texas in Austin, from Louisiana and Tennessee, and from as far as the Dakotas and Washington State. There is pretty general agreement that Houston is a good place to work.

This build-up in the Houston area has expanded the service of the Houston Office. For example, as a result of the focus on Houston of the nation's Space effort, Honeywell Inc. has recently located its southwestern regional office in Houston, in conjunction with the company's supply depot. Our Houston clientele is consequently well diversified and includes utilities, banks, governmental units, petroleum and petrochemical companies, hospitals, and a variety of manufacturing, retail and wholesale establishments.

As noted earlier, Houston's passage to the sea has been the major underlying factor in its growth. In the year 1869, the Houston Ship Channel Company was organized to dredge Buffalo

Bayou to a depth of nine feet. The deepening and improvement of the 50-mile channel has continued all of the past hundred years. The development of petroleum and petrochemical industries at Houston has resulted from the outlet to the Gulf of Mexico afforded by the ship channel.

The seaport attracted other forms of commerce to weave firmly the fabric of Houston's economy. From the plains up north came wheat for shipment through the Gulf to nations throughout the world. From the pine forests to the east came pulp wood as the raw material for paper, from the hot dry fields to the west came cotton, and from the south coastal plains came rice.

And from all over Texas (lest we forget) came cattle.

Although Texans still like to regard themselves as properly at home under the 10-gallon hat of the West, the pace of commerce in this southwestern center suggests the hard hat of the construction worker as a more appropriate symbol of today's Houstonian.

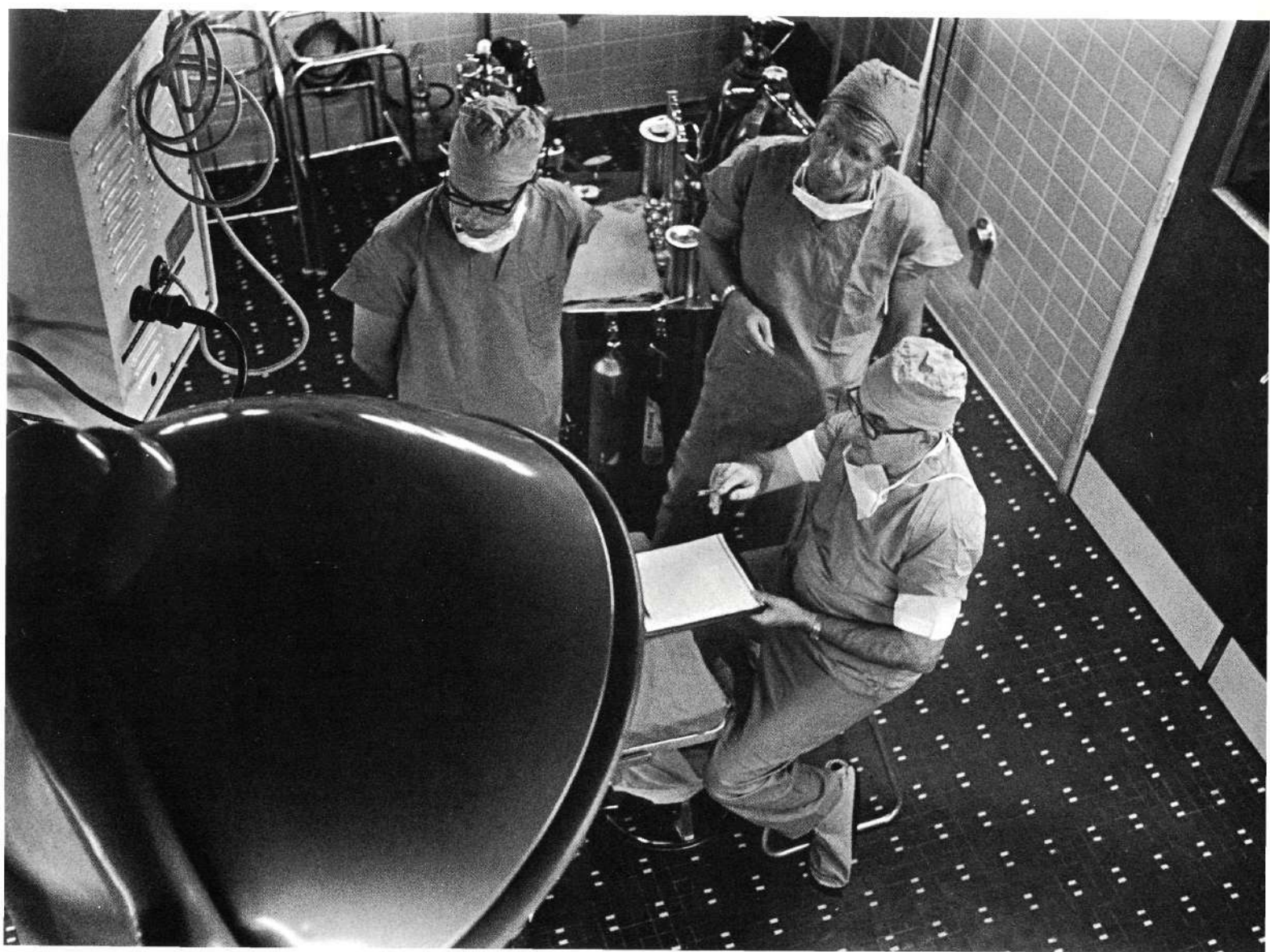
Whatever the symbol, prosperity abounds, and the people of Houston are enjoying every minute of it.

And this joy in growth, pride in prosperity, and enthusiasm for challenge permeates the entire H&S staff.

To help wrestle a registration statement by the Houston Natural Gas Company into shape for the Securities and Exchange Commission as the deadline approaches; to tackle the job of estimating piles of scrap steel at the Houston works of Armco Steel; or to help prepare pro forma statements for a new company with a time-sharing computer; these are the stimulants that their jobs provide.

Whether it's auditing the Houston Symphony or YMCA; or analyzing an inventory control problem for Hughes Tool Company; or using Auditape (which the Houston Office helped to develop) to prepare a tax depletion schedule for a division of Allied Chemical Corporation; the involvement is there. It might even have been boastfully said by some people on the Hous-





*Sterile gowns are required for inspection of operating room by staff accountant Jerry Edmonds (l.), Bob Cruikshank, principal, and William Forster (r.), Administrator of Ben Taub Hospital, part of huge Texas Medical Center.*









On Hughes Tool assembly line, Joe McDougald (r.) and John Alderfer, staff accountants, talk about rock bits with Lou Quam, Chief Internal Auditor (l.). For almost 60 years Hughes drilling tools have been used by the oil, mining and construction industries throughout the world.



Bantams grapple at McClellands' pool party as Ann Morgan (l.) and sister, Beth, sit sturdy mounts: Bob Morgan, principal (l.), and Frank McClelland, partner-in-charge.

Page 16: Boyhood friends (Beaumont) and college roommates (University of Texas) are Grady Hatton, Astros' Manager, and Harold ("Robbie") Robertson, H&S principal.

ton staff that they like their work because they are where the action is.

But last April, while starting in on an audit at the Desert Inn in Las Vegas, Bob Morgan, a principal, and Joe McDougald and John Alderfer, staff accountants, learned what the word "action" really means.

Beginning on a Sunday night at eleven o'clock, they had to count the cash in a gambling casino that never closes. They had to do it without closing the operation down, preferably without interrupting any of the play or having any of the customers realize that an audit was taking place. The cash count included gambling chips on the tables in play, all money collected in the "drop boxes" at each of the tables, and examination of "markers" or IOU's of players who had established credit.

When the exhausted crew finally walked out of the casino cage at four o'clock Monday afternoon, Joe McDougald suddenly realized he had just spent his birthday "behind bars."

Frank McClelland came to Houston in June of 1964 from Denver, where he also served as partner-in-charge. Mr. McClelland succeeded Daniel Sheehan, who had held that post from 1955 until his retirement. In October, 1963, Haskins & Sells merged with Phillips, Sheffield, Hopson, Lewis and Luther, one of the oldest and most respected local firms in Houston. Among the many clients the Houston Office now serves as a result of the merger are Sakowitz, Inc., a well known specialty store; Imperial Sugar Company; and Sugarland Industries, a company with interests in ranching, finance, insurance and telephone communications.

In the 30 years since the name Haskins & Sells went on the door in Houston, the staff has continuously been made up of accountants and office employees who display a broad range of interests and a variety of backgrounds.

Being a great outdoors state, many of the H&S workers enjoy golf, or water sports, or the excellent hunting and fishing that are available throughout

the year at easy range. Some pursue a variety of musical, theatrical, and fine arts interests, such as the Houston Symphony Orchestra, currently under the direction of André Previn with Sir John Barbirolli as Conductor Emeritus, or the Houston Grand Opera, both of which perform in the magnificent new Jesse H. Jones Hall.

It's safe to surmise that everyone at H&S Houston enjoys the convenience of being home with his family just a short while after leaving the office, and all proclaim that Houston's greatest natural resource is its people.

When it comes to measuring shortcomings in the "Land of the Firm Handshake," Houston's biggest non-geological fault is universally described as its summertime weather. But as Mr. McClelland points out, by necessity the city has become what is probably the most air conditioned metropolis in the world. Although the people may have their complaints about the weather, Mr. McClelland concludes, "they at least *do* something about it."